# GOVERNMENT OF INDIA
# COAL AND MINES
# LOK SABHA

UNSTARRED QUESTION NO:4412
ANSWERED ON:22.04.2002
LIBERALISATION OF COAL POLICY
GOWDAR MALLIKARJUNAPPA;YEMPARALA VENKATESWARA RAO

**Will the Minister of COAL AND MINES be pleased to state:**

(a) whether the Government have liberalised its coal policy recently;

(b) if so, the details thereof including changes made therein;

(c) whether under this policy, the State Government companies can now mine for coal and lignite through Memorandum or Articles of Association;

(d) whether any restriction have been imposed on the companies in this regard;

(e) if so, the details thereof and reaction of the State Governments thereon; and

(f) the time by which it is likely to be implemented?

## Answer

MINISTER OF STATE FOR COAL & MINES (SHRI RAVISHANKAR PRASAD)

(a) to (f) : Yes, Sir. A revised Coal Mining Policy has beenissued on 12th December, 2001. Under the revised policy, the State Government companies or undertakings are allowed to do mining of coking and non-coking coal or lignite reserves, either by opencast or underground method, anywhere in the country, subject to the following condit ions:

i) The State Government company or undertaking (referred to as the 'company' hereafter) is authorised to do coal or lignite mining by its Memorandum and Articles of Association.
ii) The company will do coal or lignite mining in accordance with the provisions of the Coal Mines (Nationalisation) Act, 1973, the Mines & Minerals (Development & Regulation) Act, 1957, the Contract Labour (Regulation & Abolition) Act, 1970, and all other mineral, environmental and labour laws and other regulations governing the Indian coal industry.

iii) For coal, the company shall obtain a certificate from Coal India Limited to the effect that the latter has no plan or willingness to undertake mining operations for coal in the concerned area. For lignite, the company shall obtain a certificate from Neyveli Lignite Corporation.

iv) The proposed mining area has not been allotted to a captive mining company under the provisions of Section 3(3)(a)
(iii) of the Coal Mines (Nationalisation) Act, 1973.

v) No financial assistance from the Central Government or Coal India Limited or Neyveli Lignite Corporation shall be provided to the company for coal or lignite mining in the concerned area.

vi) None of the coal or lignite mines operated by the company will be taken over by the Central Government or Coal India Limited or Neyveli Lignite Corporation in the event of closure of such a mine or otherwise.

vii) No employee of the company, engaged in a coal or lignite mine operated by it, will be absorbed in Coal India Limited or Neyveli Lignite Corporation at any point of time.

No reaction from any State Government has been received on these conditions. Under the revised policy, a State Government company/ undertaking can now work non-coking coal and coking coal reserves or lignite by opencast/underground method, without the restriction of 'isolated small pockets'.